THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) to (d) The Government is considering comprehensive revision of the Companies Act, 1956 to enable the Indian corporate laws to keep pace with changes in the economic environment. To enable a broad based consultation on the issue involved with the stakeholders, a concept paper on company law was published on August 4, 2004. Thereafter, an Expert Committee headed by Dr. J J Irani was appointed to make recommendations to the Government. This Expert Committee included, *inter-alia*, representatives of FICCI, CII, etc. in addition to other experts/professionals. The Committee submitted its report on May 31, 2005 covering a wide range of issues, including protection of minority interest during merger and acquisitions. The proposed Bill is under preparation in consultation with legal experts and will be introduced in the Parliament once finalized.

Action against misleading advertisements

†739. SHRI JAI PARKASH AGGARWAL: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether according to the Monopolies and Restrictive Trade Practices Commission (MRTPC) Misleading advertisements being issued with the objective of attracting customers by companies during the festival season comes under the category of unfair trade practice;

(b) whether MRTPC have taken any action in this regard; and

(c) if so, the details thereof for the last three years as on date alongwith the names of the companies?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Accroding to section 36A of the MRTP Act, any representation containing false or misleading information about the standard or quality of goods or services amounts to unfair trade practice.

(b) and (c) The details of the complaints filed during the festival seasons in the last three years and the action taken by the Commission are as under:

†Original notice of the question was received in Hindi.

(1) *UTP Enquiry No.*96/2002

On a complaint filed by the Director General (Investigation and Registration) against Spectrum Magazines Limited under section 36B(c) of the MRTP Act, 1969, an enquiry into a scheme promoted by the respondent titled "A & M Mega Diwali Offer" offering various gifts and prizes was instituted. The scheme was offered to subscribers who make advance subscription for a period of 1/3/5 years. A Notice of Enquiry was issued by the Commission on 25.2.2003. The enquiry in this matter is in progress.

(2) *UTP Enquiry No.*86/2005

This enquiry was instituted on the complaint filed by DG (I&R) against M/s Amba Jewellers under section 36B(c) of the MRTP Act, 1969, It is regarding an advertisement issued by the respondent, on the eve of Karva Chauth and valid upto Diwali, offering gold at wholesale rate outlet for Rs. 5790/- per ten grams with other prizes. The DG (I&R) filed the complaint alleging that the advertisement does not make any mention about the purity of gold and the advertisement was deceptive, which *prima facie* constituted an unfair trade practice under section 36A of the MRTP Act, 1969. A Notice of Enquiry was ordered by the Commission on 21.10.2005. An application by way of affidavit was given by the respondent with an undertaking not to issue similar advertisements in future and the matter was accordingly disposed of.

(3) *UTP Enquiry No.*89/2005

This complaint was filed by DG (I&R) against L.G. Electronics India Private Limited, New Delhi under secion 36B(c) of the MRTP Act, 1969. It is regarding a scheme promoted by the respondent company titled "MANGAL HI MANGAL OFFER THIS DIWALI". The respondent company offered assured gifts worth crores of rupees to be won daily on purchase of their products. The DG (I&R) filed the complaint alleging that the advertisement is *prime facie* deceptive and misleading under the provisions of MRTP Act, 1969. A Notice of Enquiry was ordered by the Commission on 26.10.2005. The Commission also issued an interim injunction restraining the respondent from republishing/continuing the said or similar advertisements in any form and in any media with immediate effect until further orders.